

CHAPTER I

INTRODUCTION

Policymakers have long been concerned that low-income elderly individuals who are eligible for food stamp benefits tend not to participate in the Food Stamp Program (FSP). Historically, fewer than one out of every three eligible elderly individuals participates in the program, and these rates have only fallen in recent years (Cunningham 2004). Such low participation rates generate concerns about the ability of low-income senior citizens to maintain a healthy diet.

In response to these concerns, the U.S. Department of Agriculture (USDA) funded the Elderly Nutrition Demonstrations—six projects aimed at testing ways to increase FSP participation among eligible elderly individuals. The demonstrations were designed to reduce the barriers to FSP participation that the elderly face by simplifying the application process, increasing eligible elderly individuals' understanding of the program, assisting elderly individuals with the application process, and/or providing food stamp benefits as commodities rather than as traditional program benefits.

USDA also funded an evaluation of these demonstrations to assess their ability to increase participation among eligible elderly individuals. The evaluation examined the types of seniors that were attracted to the FSP under the demonstrations, what factors seniors liked and disliked about the demonstrations, and which demonstrations were the most cost-effective. The evaluation also included an in-depth process analysis to provide insight into how the demonstrations were implemented, to develop an understanding of the context for the impact evaluation, and to identify the individual challenges and successes of each demonstration.

This report presents the findings of the process analysis component of the evaluation. We examine each of the demonstrations individually, discussing the overall design and implementation. The findings in this report, which are summarized in Cody and Ohls (2005), are intended for federal, state and local policy makers that may be interested in exploring these policy alternatives in the future.

The remainder of this chapter provides the context for understanding demonstration goals and evaluation objectives. The first describes the three demonstration models and

section the second section the six grantees that implemented these models. The subsequent chapters in this report discuss the six demonstrations individually.

DEMONSTRATION MODELS

In 2001, USDA issued a request for grant proposals from state FSP agencies to operate a pilot project under the Elderly Nutrition Demonstrations. The objective of the demonstration was to test the feasibility and effectiveness of alternative approaches to making the FSP more accessible to eligible elderly individuals. The demonstration grants were awarded on a competitive basis, and the pilot projects were required to adopt one of the three demonstration models developed by USDA: (1) the simplified eligibility model, (2) the application assistance model, and (3) the commodity alternative benefit model. Each model represented one approach to reducing FSP application burden, increasing awareness about program availability and benefits, and/or reducing the stigma associated with participation. With regard to the second objective, each model included an outreach component to raise awareness of the demonstration procedures in particular and of the FSP in general in the elderly community.

Simplified Eligibility

The simplified eligibility model was designed to reduce the burden associated with applying for food stamps by simplifying the process of determining eligibility. Under federal rules, households that contain at least one person age 60 years or older are eligible for food stamps if everyone in the household receives Supplemental Security Income (SSI), or if their combined incomes and assets meet the following two rules:

1. ***The household's gross monthly income less certain deductions (i.e., its net income) is below 100 percent of the federal poverty guidelines.*** Deductions include a standard deduction of \$134 (in most states) for each household; a deduction for monthly medical expenses above \$35; a deduction for shelter costs in excess of 50 percent of net income after applying the other deductions; as well as deductions for earnings, dependent care expenses, and child support payments.
2. ***The sum of the household's countable assets is below \$3,000.*** Countable assets include cash on hand, checking and savings account balances, stocks and bonds, and most retirement accounts. Also, a portion of the value of some vehicles is counted toward assets, as is the equity value of certain recreational property.

For all households that meet the eligibility criteria, benefits are computed as a function of the number of persons in the household, the household's net income, and the maximum

benefit levels.¹ Households applying for food stamps must provide adequate documentation to verify the information used to assess eligibility and calculate benefits. For example, they must provide documentation to verify earnings, medical expenses, and asset holdings. Households must also participate in an eligibility interview with program staff.

The intent of the simplified eligibility model was to reduce the time and effort required of seniors to apply for food stamps. In particular, USDA intended this model to minimize the burden associated with documenting income and expenses. Demonstrations were encouraged to change the way that income and benefits are normally computed during the eligibility process in part to reduce the need for verifying documentation. These changes also were intended to reduce the need for personal and intrusive questions during eligibility interviews. The simplified rules applied only to those food stamp households in which all individuals are age 60 or older.

Application Assistance

The application assistance model sought to reduce the burden of applying for food stamps by giving seniors one-on-one aid in navigating the application process. Under this demonstration model, eligibility rules remained unchanged, but elderly applicants were paired with application assistance workers who helped them assemble documents needed to apply for food stamps, explain the application, and often complete the forms on their behalf. USDA gave the states flexibility to determine where this assistance took place—either in clients' homes or in more public spaces.

USDA encouraged states designing application assistance demonstrations to develop extensive outreach activities to inform potential clients about the FSP in general and about the application assistance services. States also were encouraged to incorporate features such as prescreening potential applicants for eligibility and benefit amounts, reducing the burden of the eligibility interview, building on existing programs, and using technology to make the application easier to access and complete.

Commodity Alternative Benefit

The commodity alternative model was designed to replace the electronic benefits transfer (EBT) card with a monthly commodities package. Federally run commodity

¹The maximum benefit level is tied to the cost of purchasing a nutritionally adequate low-cost diet as measured by USDA's Thrifty Food Plan. The benefit is calculated by subtracting 30 percent of the household's counted net income—the amount that the household is thought to be able to spend on food from its income—from the maximum benefit level for the household size. Currently, the maximum benefit level for a one-person household is \$130. Eligible one- and two-person households are guaranteed a minimum monthly food stamp benefit of \$10, while households of three or more have no minimum benefit.

distribution efforts have been used since Depression-era programs in which surplus commodities were redistributed to the needy. While traditional FSP benefits are generally believed to be more effective in providing flexible nutrition assistance to a large population, several current federal commodity distribution programs provide food directly to needy individuals. The commodity alternative benefit model was designed in part to test whether commodity packages would be more appealing to seniors than traditional food stamp benefits.

Under the demonstration guidelines, USDA required the contents of the commodities packages to be designed to meet the needs of the elderly. States were encouraged to develop a variety of packages for different target populations (for example, for diabetics or for specific ethnic groups). States were given flexibility in designing procedures for distributing the packages; commodities could be delivered to participants' homes, or participants could pick up packages at local distribution centers. USDA established that the cost to the demonstration of each commodity package (including shipping and storage costs) could not exceed the average benefit for which elderly FSP households in the demonstration site were eligible. The cost of the packages was to be the same for all participants, regardless of the benefit amount for which they were eligible.

Only households in which all members were elderly (known as "pure elderly" households) were allowed to participate in the commodity demonstrations. During the application process, these households were informed of what their FSP benefit would be before they chose between traditional benefits and demonstration benefits. Additionally, pure elderly households already participating in the FSP when the demonstration started were given the option to enroll. With some restrictions, households that selected commodities could switch to traditional benefits after the demonstration began.

SIX GRANTEES

In 2001, USDA encouraged states to apply for demonstration grants to implement one of these three models. States had flexibility in designing their demonstrations, as long as they stayed within the basic framework of a specific demonstration model and did not combine components of different models. Six states were selected to implement a demonstration. One state, Florida, implemented a simplified eligibility demonstration; three states, Arizona, Maine, and Michigan, implemented application assistance demonstrations; and two states, Connecticut and North Carolina, implemented commodity alternative benefit demonstrations. In each state, the demonstrations were implemented in a limited geographic area—typically one or two counties, or in the case of Connecticut, ten towns in the Hartford region.

The demonstrations were funded for two years. Because implementation time varied by demonstration, so did the start dates (Table I.1). Four demonstrations that still had funds after two years were extended by up to 11 months.

Table I.1: Months of Operation for The Elderly Nutrition Demonstrations

Demonstration State	Start Date	End Date
Simplified Eligibility Model Florida	February, 2002	December, 2003
Application Assistance Model Arizona	September, 2002	April, 2005 ^a
Maine	February, 2002	February, 2004 ^a
Michigan	November, 2002	January, 2005 ^a
Commodity Alternative Benefit Model Connecticut	November, 2002	October, 2004
North Carolina	November, 2002	September, 2005 ^a

^aDemonstration period extended beyond two years.